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060

**ARIZONA CORPORATION COMMISSION**

May 26, 2005

Mike Grant  
Gallagher & Kennedy, P.A.  
2575 E. Camelback Rd.  
Phoenix, AZ 85016-9225

Arizona Corporation Commission

**DOCKETED**

MAY 27 2005

John Wallace  
GCSECA  
120 North 44<sup>th</sup> Street, Suite 100  
Phoenix, AZ 85034

DOCKETED BY	<i>KW</i>
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AZ CORP COMMISSION  
DOCUMENT CONTROL

2005 MAY 27 A 10:08

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RE: THE APPLICATION OF DUNCAN RURAL SERVICES CORPORATION FOR A  
RATE INCREASE, DOCKET NO. G-02528A-05-0314

**LETTER OF INSUFFICIENCY**

Dear Messrs. Grant and Wallace,

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on April 29, 2005, has not met the sufficiency requirements as outlined in A.A.C. R14-2-103.

The specific items that have caused a finding of insufficiency are the following:

- Schedule A-4 is not included in the application as required by A.A.C. R14-2-103.
- Schedule C-3 is not included in the application as required by A.A.C. R14-2-103.
- Schedule D-1 is not included in the application as required by A.A.C. R14-2-103.
- Schedule G-3 is not included in the application as required by A.A.C. R14-2-103.

Additionally, Schedule E has not been filed. Staff assumes that the Cooperative is substituting the Form 7's for the comparative income statement and balance sheet required by Arizona Administrative Code R14-2-103. When Staff checked the schedules against the Form 7 for consistency, Staff found the following deficiencies:

- Total Plant In Service – The \$1,393,950 Total Plant In Service Per Books amount on Schedule B-1 does not agree with the \$1,310,308 amount on the 2004 Form 7. Please reconcile the amount.
- Accumulated Depreciation – The \$568,703 Accumulated Depreciation Per Books amount on Schedule B-1 does not agree with the \$596,470 amount on the 2004 Form 7. Please reconcile the amounts.
- Customer Deposits – The \$20,064 Customer Deposits Per Books amount on Schedule B-1 does not agree with the \$16,925 amount on the 2004 Form 7. Please reconcile the amounts.
- Total Operating Revenue – The \$530,924 Total Revenue Per Books amount on Schedule C-1 does not agree with the \$649,377 amount on the 2004 Form 7. Please reconcile the amounts.
- Distribution Expense, Operation - The \$147,723 Distribution Expense, Operations Per Books amount on Schedule C-1 does not agree with the \$138,569 amount on the 2004 Form 7. Please reconcile the amounts.
- Distribution Expense, Maintenance - The \$52,766 Distribution Expense, Maintenance Per Books amount on Schedule C-1 does not agree with the \$61,921 amount on the 2004 Form 7. Please reconcile the amounts.
- Depreciation and Amortization Expense - The \$37,542 Depreciation and Amortization Expense Per Books amount on Schedule C-1 does not agree with the \$49,645 amount on the 2004 Form 7. Please reconcile the amounts.

If you have any questions, I can be reached at (602) 542 -0858

Sincerely,



Matthew Rowell  
Chief, Telecommunications and Energy  
Utilities Division

CC: Docket Control Center (sixteen copies)  
Lyn Farmer, Hearing Division  
Delbert Smith, Engineering  
Consumer Services  
Legal Division